

In re:

Cedar Mortgage Company, Inc.,
a California corporation
dba Cedar Mortgage,

Respondent.

NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING (Failure to Submit Financials)

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A, respectively, of the Nevada Revised Statutes (hereinafter "NRS"), and Chapter 645B, Chapter 645E and Chapter 645A, respectively, of the Nevada Administrative Code (hereinafter "NAC"). The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter "the Division") has the general duty to exercise supervision and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division makes the following Factual Allegations, Violations of Law, and Order, as follows:

FACTUAL ALLEGATIONS

1. Cedar Mortgage Co., Inc. dba Cedar Mortgage (hereinafter "Respondent") is a California corporation. Currently, Respondent's status with the Nevada Secretary of State is "default."

2. Pursuant to NRS 645B, Respondent was issued a mortgage broker license on October 13, 1998.

3. At all relevant times herein mentioned, Respondent was operating within the State of Nevada pursuant to the terms of its license.

1 4. Pursuant to NRS and the regulations promulgated thereunder, with limited
2 exceptions, each mortgage broker, mortgage banker and escrow agency doing business in
3 this State shall, not later than 120 days after the last day of each fiscal year, submit a
4 financial statement. See, NRS 645B.085(1), NRS 645E.360(1) and NAC 645A.040(1).

5 5. Respondent refused or failed to furnish financial statements for both fiscal years
6 2007 and 2008 pursuant to the provisions of NRS 645B.085(1), NRS 645E.360(1) or NAC
7 645A.040(1).

8 6. Pursuant to NRS 645B.670(2)(i), for each violation committed by a mortgage
9 broker the Commissioner may impose upon the mortgage broker an administrative fine of not
10 more than \$25,000, may suspend, revoke or place conditions upon his license, or may do
11 both, if the mortgage broker has refused to permit an examination by the Commissioner of his
12 books and affairs or has refused or failed, within a reasonable time, to furnish any information
13 or make any report that may be required by the Commissioner pursuant to the provisions of
14 NRS Chapter 645B or a regulation adopted pursuant to such chapter.

15 7. Pursuant to NRS 645E.670(2)(i) for each violation committed by a mortgage
16 banker or any person acting as a mortgage banker, the Commissioner may impose upon that
17 person an administrative fine of not more than \$10,000, may suspend, revoke or place
18 conditions upon his license, or may do both, if the mortgage broker has refused to permit an
19 examination by the Commissioner of his books and affairs or has refused or failed, within a
20 reasonable time, to furnish any information or make any report that may be required by the
21 Commissioner pursuant to the provisions of Chapter 645E of NRS or a regulation adopted
22 pursuant to such chapter.

23 8. Pursuant to NRS 645A.090(1)(i), for each violation committed by an escrow
24 agency or anyone engaged in the business of administering escrows, the Commissioner may
25 impose upon that person an administrative fine of not more than \$10,000 and may suspend
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1 or revoke his license if upon a hearing it is determined that the escrow agency has refused or
2 failed, within a reasonable time, to furnish any information or make any report that may be
3 required by the Commissioner pursuant to the provisions of NRS Chapter 645A or a
4 regulation adopted pursuant to such chapter.

5 **VIOLATIONS OF LAW**

6 Respondent failed or refused to provide financial reports for both fiscal years 2007 and
7 2008 to the Commissioner pursuant to the provisions of the applicable NRS chapter or a
8 regulation adopted pursuant to such chapter, in violation of NRS 645B.085(1),
9 NRS 645E.360(1) or NAC 645A.040(1), as applicable.
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11 **ORDER**

12 **NOW, THEREFORE, IT IS HEREBY ORDERED** that, pursuant to NRS 645B.750(2),
13 NRS 645E.750(2), NRS 645A.100(2) or NRS 233B.121, as applicable, upon the timely filing of
14 an application with the Division within **twenty (20) days** of the date of this Order, Respondent
15 shall be entitled to a hearing with regard to the contents of this Order. At that hearing, the
16 Division will seek:

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18 a. The imposition of an administrative fine against Respondent if acting as
19 either a mortgage broker, mortgage banker or escrow agency in the amount of Five Thousand
20 Dollars and No Cents (\$5,000.00) for Respondent's violations of NRS Chapter 645B, 645E or
21 645A, respectively, as well as the Division's administrative costs and attorney's fees, if any,
22 incurred herein, each to be proven at the hearing;

23 b. Respondent's payment, in full, of the administrative fine, costs and fees to
24 the Division within **thirty (30) days** of entry of the Final Order; and

25 c. Respondent's submission of its financial statements for fiscal years 2007
26 and 2008 within thirty (30) days of entry of the Final Order.
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28 Should Respondent request a hearing, Respondent is advised of the following:

1 a) Respondent is entitled to be represented by legal counsel at its own cost and expense; b) At
2 any hearing Respondent shall be entitled to respond and to present evidence and argument on
3 all issues involved; c) Requests may be made to the Commissioner for the issuance of
4 subpoenas, however, the Commissioner may request the proposed testimony of any such
5 person prior to the issuance of the subpoena; and d) Unless precluded by law, the parties may
6 agree to an informal resolution or settlement prior to any hearing.

7 Should Respondent not request a hearing within **twenty (20) days** of the date of this
8 Order, the Division will enter a Final Order in this matter against Respondent, as otherwise
9 required by law.

10 Dated this 16th day of February, 2010.

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12 State of Nevada
13 Department of Business and Industry
14 Division of Mortgage Lending

15 By: Joseph L. Waltuch
16 Joseph L. Waltuch, Commissioner
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CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry,
Division of Mortgage Lending, and that on , February 18, 2010, I deposited in the U.S. mail,
postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct
copy of the foregoing, NOTICE OF INTENT TO IMPOSE FINE AND RIGHT TO REQUEST
HEARING (Failure to Submit Financials) for CEDAR MORTGAGE COMPANY INC ,
addressed as follows:

Caroline Nilsen
Cedar Mortgage Company, Inc.
6174 Westwind Way
Fallon, NV 89406

Certified Receipt Number: 7008 1830 0002 7959 5628

DATED this 17th day of February, 2010

By: 

Employee of the Division